

Oroville Relicensing Study - R18

Recreation Activity, Spending, and Associated Economic Impacts

Work Group Presentation

May 2004

**Presentation to the Recreation and
Socioeconomics Work Group**

Outline of Presentation

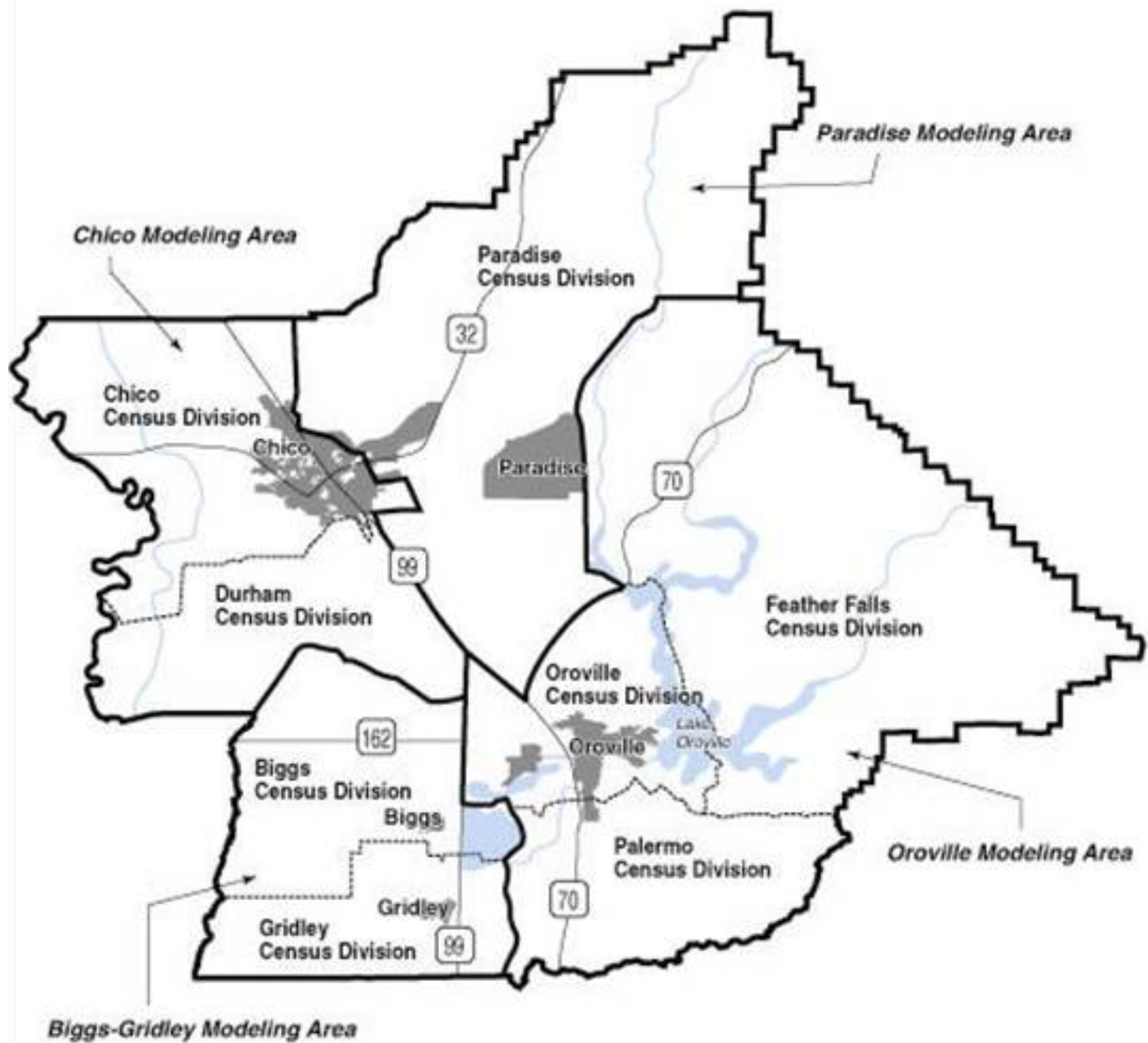
- Study Objectives
- Methods
- Study Results
- Conclusions

Study Objectives

- **Primary Objective:** Estimate the effects of spending activity generated by current and projected recreation use and O&M of the Oroville Facilities on local business sales, employment, and personal income.
- **Secondary Objective:** Gain a better understanding of the relationship between the Oroville Facilities and economic development and growth within the region.

Methodology

- Community-level economic impact assessment models:
 - Oroville Model Area
 - Chico Model Area
 - Paradise Model Area
 - Biggs-Gridley Model Area
- Model construction employed County-level data, verified and modified using local-level data.
- Model inputs include: (1) current and projected future levels of recreation-related sales, and (2) current levels of O&M expenditures.
- Model inputs based on visitation and expenditure data (recreation user surveys) and coordination with State agencies.



Methodology (cont.)

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Methodology:

Key Assumptions

- Recreation-induced economic effects concentrated in Butte County
- The future economic structure of Butte County will be similar to the existing structure
- Future visitation patterns and recreational activities will generally follow existing patterns
- Future visitor spending patterns will remain similar to current patterns

Study Results

- Study results organized into two main areas
 1. Effects of current recreation and operations and maintenance (O&M) activity
 2. Effects of future (2020) recreation activity (future O&M effects were not estimated)

Results

Recreation Expenditure Profiles

AVERAGE PER-DAY SPENDING FOR RECREATION AT THE OROVILLE FACILITIES BY LOCAL RESIDENTS, NONLOCAL RESIDENTS, AND NONRESIDENTS OF BUTTE CO.

| Model Area | Local Residents | Non-Local Residents | Non-Residents of Butte County |
|-------------------|------------------------|----------------------------|--------------------------------------|
| Oroville | \$32.95 | \$6.85 | \$18.40 |
| Paradise | \$37.74 | \$0.48 | \$1.17 |
| Biggs-Gridley | \$19.62 | \$0.08 | \$0.93 |
| Chico | \$27.80 | \$0.77 | \$0.71 |

Results

Current Recreation Expenditures

SUMMARY OF CURRENT RECREATION-RELATED SPENDING IN BUTTE COUNTY BY COUNTY RESIDENTS AND OUT-OF-COUNTY VISITORS TO THE OROVILLE FACILITIES

| Study Impact Area | Butte County Residents | | Out-of-County Visitors | | Total Spending (\$1,000) |
|-----------------------------|------------------------|--------------|------------------------|-------------|--------------------------|
| | Amount (\$1,000) | % of Total | Amount (\$1,000) | % of Total | |
| Oroville | 10,163.8 | 54.1 | 10,265.9 | 86.3 | 20,429.7 |
| Paradise | 4,182.7 | 22.3 | 634.2 | 5.3 | 4,817.0 |
| Biggs-Gridley | 761.9 | 4.1 | 597.0 | 5.0 | 1,358.9 |
| Chico | 3,674.3 | 19.6 | 392.4 | 3.3 | 4,066.6 |
| Butte County (Total) | 18,782.7 | 100.1 | 11,889.5 | 99.9 | 30,672.2 |

Results

Current (Representative) O&M Expenditures

ESTIMATES OF ANNUAL OPERATIONS AND MAINTENANCE EXPENDITURES BY
STATE AGENCIES RELATED TO THE OROVILLE FACILITIES

| Model Area | DWR | | DPR | DFG | TOTAL |
|-------------------|------------------------|--------------------|--------------------|------------------|---------------------|
| | Recreation- Related | Other | | | |
| Paradise | \$806,600 | \$119,500 | \$145,600 | \$71,600 | \$1,141,200 |
| Oroville | \$6,965,700 | \$1,030,300 | \$1,529,500 | \$289,500 | \$9,805,900 |
| Chico | \$493,500 | \$73,000 | \$84,900 | \$60,400 | \$713,600 |
| Biggs- Gridley | \$347,700 | \$51,400 | \$12,100 | \$214,000 | \$630,000 |
| Out-of- County | \$2,602,300 | \$384,900 | \$12,100 | \$131,500 | \$3,136,500 |
| TOTAL | \$11,216,800 | \$1,659,100 | \$1,784,200 | \$767,000 | \$15,427,200 |

Results

Effects of Current Recreation and O&M Activity

SUMMARY OF JOBS AND EARNINGS GENERATED BY RECREATION-RELATED SPENDING AND OPERATIONS AND MAINTENANCE AT THE OROVILLE FACILITIES

| Study Impact Area | Recreation Spending Induced | | | | Operation and Maintenance Induced | | | |
|-------------------------|-----------------------------|--------------|------------------|--------------|-----------------------------------|--------------|------------------|--------------|
| | Jobs | | Earnings | | Jobs | | Earnings | |
| | # Jobs | % of Total | Amount (\$1,000) | % of Total | # Jobs | % of Total | Amount (\$1,000) | % of Total |
| Oroville | 453 | 68.4 | 8,598.3 | 67.0 | 319 | 64.1 | 10,600.4 | 69.9 |
| Paradise | 37 | 5.6 | 725.7 | 5.7 | 37 | 7.4 | 1,138.3 | 7.5 |
| Biggs-Grid | 22 | 3.3 | 364.4 | 2.8 | 17 | 3.4 | 505.5 | 3.3 |
| Chico | 150 | 22.7 | 3,144.6 | 24.5 | 125 | 25.1 | 2,927.3 | 19.3 |
| Butte Co (Total) | 662 | 100.0 | 12,833.0 | 100.0 | 498 | 100.0 | 15,171.5 | 100.0 |

Results

Effects of Future (2020) Recreation Activity

- Based on projected growth in recreation visitation to the Oroville Facilities
- 26 percent increase in economic activity relative to current activity levels
- Future spending patterns similar to current patterns

Conclusions

- Recreation- and O&M-related activity contributes the most to the economy of the **Oroville Model Area**.
- These activities account for an estimated 772 jobs in the **Oroville Model Area** (4.2 percent of the area's total employment).
- Earnings (\$19.2 million) account for 4.7 percent of the **Oroville Model Area's** total earnings.
- Project has relatively smaller effects on the other model area economies.
- Recreation spending and O&M expenditures account for less than 1 percent of total jobs and earnings in **Chico** area.

Conclusions (cont.)

- Number of jobs and earnings in the **Paradise and Biggs-Gridley Model Areas** account for less than 1.0 percent of all jobs and earnings in these areas.
- **Countywide**, current recreation and O&M activity contribute a relatively small but important increment to the County's economic base.
- Combined, recreation spending and O&M expenditures account for an estimated 1,160 jobs and \$28.0 million in annual earnings.
- These account for roughly 1.2 percent of total Countywide employment and about 1.3 percent of total Countywide earnings.